THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) With effect from October 18, 1994, RBI has deregulated the interest rates on advances above Rs. 2 lakh and the rates of interest on such advances are determined by the banks themselves with the approval, of their Boards. Banks have been advised to fix their Benchmark Prime Lending Rate (BPLR) after taking into account cost of funds, transaction cost, risk factor, margin and other overhead expenses.

Refinancing of poor rural banks

†338. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering for refinancing the financially poor rural banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) divides Regional Rural Banks (RRBs) into categories based on certain criteria. The quantum of refinance for each category is decided by them based on the financial health of the RRB and the banks realistic lending programme acceptable to NABARD.

Irregularities in purchase of stationery items

339. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether different departments of his Ministry are not following the provisions of General Financing Rules and other instructions on the purchase of stationery etc.;

(b) if so, the details of the irregularities brought out by the MPs and the CAG in the recent past and what action has been taken thereon; and.

(c) what steps has his Ministry taken to ensure that public money is not squandered alongwith details?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Stationery and other items are purchased by different Departments of the Ministry as per the power delegated under Delegation of Financial Power Rules (DFPRs). While exercising such powers, Departments are required to follow the provisions of General Financial Rules (GFRs) and other relevant instructions.

(b) If any matter related with violation of provisions of General Financial Rules is brought to the notice by Hon'ble Members of Parliament (MPs) and/or Comptroller and Auditor General of India (C&AG), replies/Action Taken Notes are furnished as the case may be. In the recent past, C&AG has conducted performance audit of internal control in selected Central Ministries, including Ministry of Finance. This is

†Original notice of the question was received in Hindi.

an on-going process and feedback provided by Hon'ble MP& and C&AG is taken into account for improvement in systems and procedures.

(c) Instructions are issued from time to time to all Heads of Departments to follow the provisions under GFRs and other relevant Government instructions issued from time to time on purchase of stationery and other items. General principles relating to expenditure and payment of money as mentioned in the GFRs are required to be followed by spending offices. Besides, systems of pre-check of bills, internal audit and statutory audit are in vogue to ensure that public money is not squandered.

Pendency of Utilisation Certificate

340. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether more than 37000 Utilisation Certificates (UCs) are pending upto March 31, 2006 from several Ministries and key departments of Government with a financial implication of more than Rs. 14500 crore;

(b) if so, the details thereof;

(c) the reasons for releasing funds to these Ministries and some statutory bodies and NGOs without satisfying itself about utilization of the grants; and

(d) the measures taken by Government to check misuse of public money by these Ministries, statutory bodies and NGOs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) As per report No.3 of 2007 of Comptroller and Auditor General of India, a total of 37428 Utilisation Certificates were pending upto March 31, 2006 involving a total amount of Rs. 14595.32 crores. Details of outstanding utilisation certificates are given in the enclosed Statement-I (*See* below).

(c) As per Rule 20 of Delegation of Financial Power Rules, full powers have been delegated to Department of Central Government for sanctioning grants-in-aid provided such grants-in-aid are in accordance with the rules or principles prescribed with the previous consent of the Ministry of Finance. Since the grants are released by the respective Ministries/Departments to the statutory bodies/NGOs, these Ministries/Departments are to ensure that the provisions of General Financial Rules are complied with, before releasing grants to such organisations/statutory bodies. Ministry of Finance has, however, been advising the administrative Ministries/ Departments from time to time, to ensure compliance and satisfy themselves about utilisation of the grants.

(d) As per provision of Rule 212 (1) of General Financial Rules 2005, institutes/ organisations receiving non-recurring grants are required to submit utilisation certificates within 12 months of the closure of the financial year, and Ministries/ Departments are expected to scrutinize the receipt of these certificates. Where such certificate is not received from the grantee organisation within the prescribed period, the Ministry is at liberty to blacklist such institutions or organisations from any future grant from the Government. Also, as per Rule 212(1) in respect of the recurring grants, Ministry/Department concerned should release any amount sanctioned for